



# CRUNCHING NUMBERS FOR A CRISP ECONOMY

*“Utah Tourism in 2002”*

October 30, 2002

Jon Kemp, Utah Travel Council



*“We briefly doubled your  
population, you forever  
doubled our spirit. Thank  
you Salt Lake.”*

VISA Advertisement



# AGENDA



## 1) Where have we been?

- ✓ An Olympic Boost
  - Immediate Impacts
  - Marketing Success
  - Consumer Mindset

## 2) Where are we now?

- ✓ Year-to-date performance

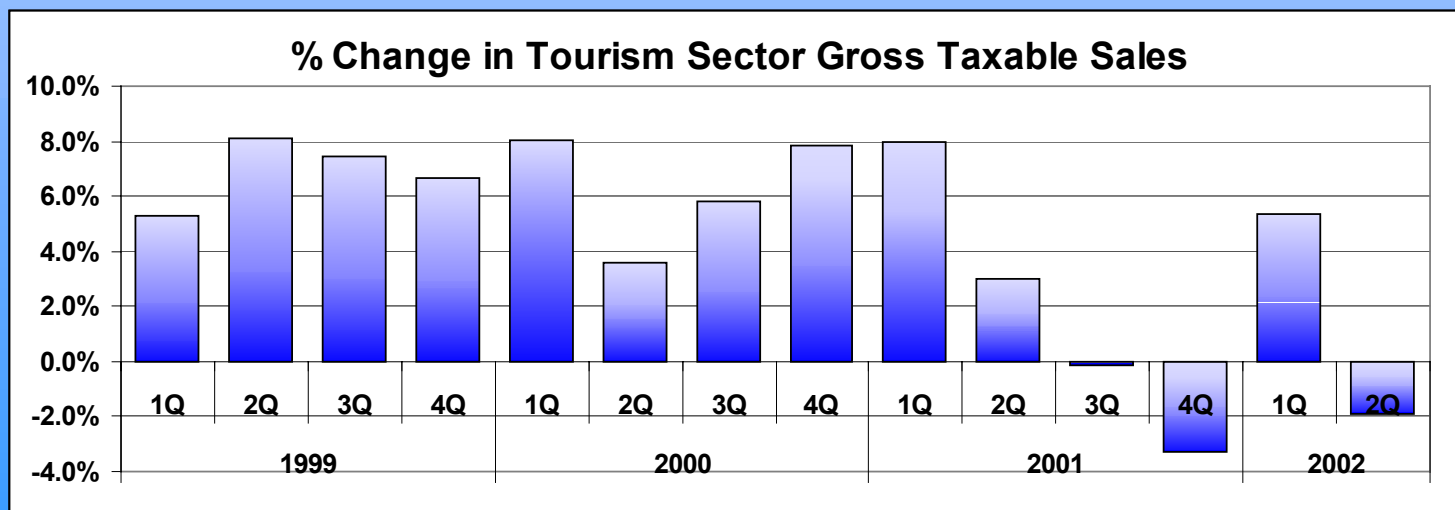
## 3) What is the future?

- ✓ Empowered consumers

# An Olympic Boost

**During the first quarter of 2002, there is evidence of a strong overall boost in tourism activity with a few tradeoffs.**

| VOLUME INDICATORS                        |          |
|--|----------|
| INDICATOR – 1 <sup>st</sup> Quarter 2002 | % CHANGE |
| Salt Lake Int'l. Airport Passengers      | -6%      |
| Utah National Parks                      | +30%     |
| Utah State Parks                         | +42%     |
| Utah Skier Days                          | -9%      |
| Utah Welcome Centers                     | +11%     |
| Stateline Interstate Traffic             | +8%      |
| Statewide Hotel Occupancy Rate           | +4%      |
| Utah.com Website Visitors                | +108%    |



# Unprecedented Marketing Success



***The 2002 Olympic Winter Games established marketing-related records in the areas of broadcast, ticketing, and sponsorship***

- 2.1 billion viewers in 160 countries and territories amassed 13.1 billion viewer hours
- More than 1.5 million tickets were sold, representing 95% of the available tickets
- The OPUS local sponsorship program generated a total of \$876 million for SLOC and the U.S. Olympic Committee



**2.1 billion viewers worldwide watched coverage of the Games  
an average of 6 hours and 15 minutes!**

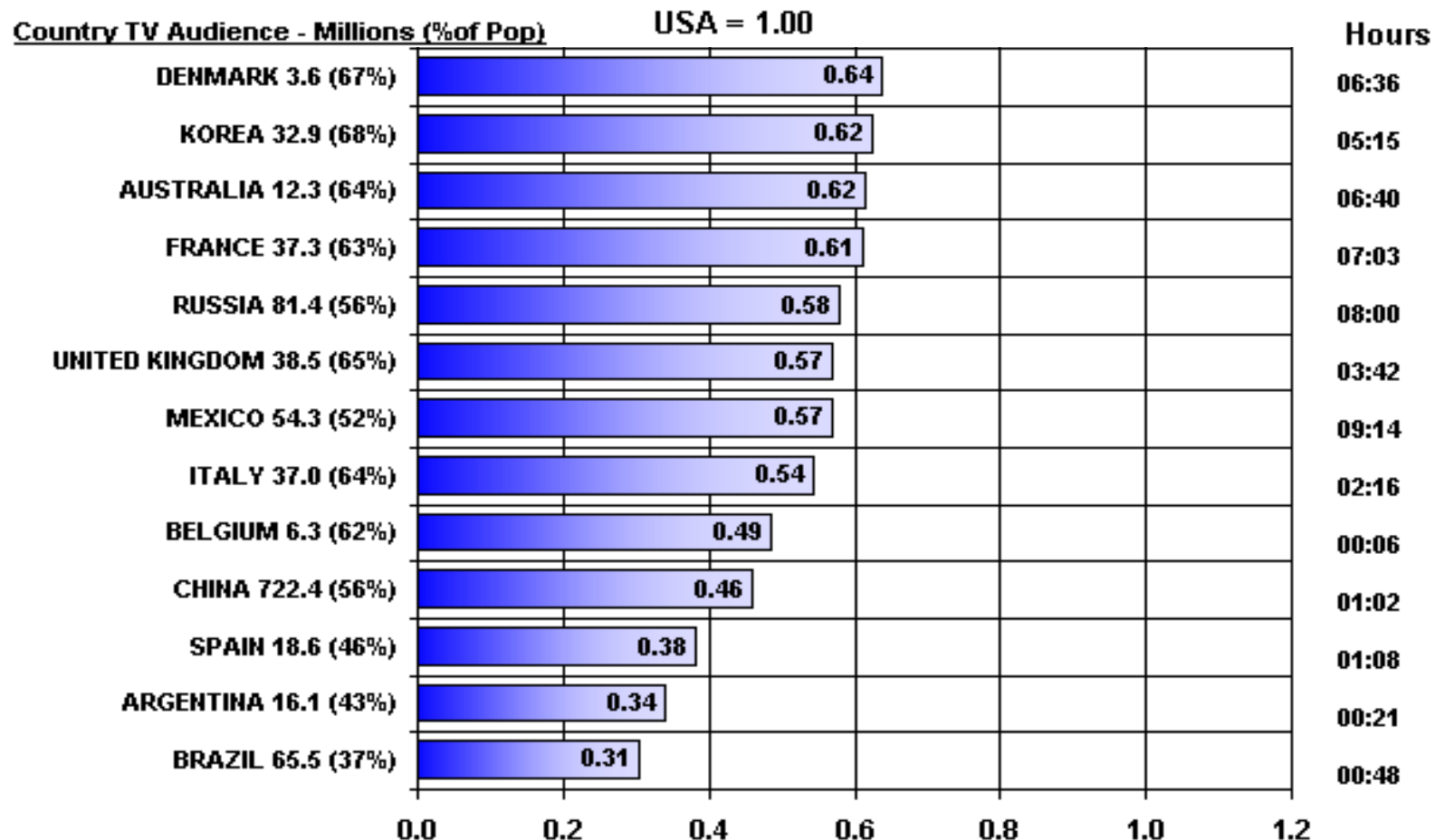
## OLYMPIC BROADCAST COMPARISON

(Indexed by Audience Market Share & Hours of Viewing)

| <u>Country TV Audience - Millions (% of Pop)</u> | USA = 1.00 | <u>Hours</u> |
|--|------------|--------------|
| NORWAY 3.6 (79%)                                 | 1.12       | 28:42        |
| FINLAND 4.3 (83%)                                | 1.03       | 22:15        |
| CANADA 27.6 (88%)                                | 1.02       | 19:13        |
| UNITED STATES 177.5 (64%)                        | 1.00       | 28:55        |
| SWEDEN 7.8 (89%)                                 | 0.98       | 16:43        |
| CZECH REPUBLIC 9.4 (92%)                         | 0.94       | 13:00        |
| JAPAN 102.1 (80%)                                | 0.94       | 17:43        |
| POLAND 25.5 (66%)                                | 0.87       | 20:20        |
| GERMANY 70.5 (85%)                               | 0.86       | 10:51        |
| SWITZERLAND 6.2 (85%)                            | 0.85       | 10:35        |
| NETHERLANDS 13.9 (87%)                           | 0.83       | 08:31        |
| AUSTRIA 6.4 (79%)                                | 0.79       | 10:05        |

## OLYMPIC BROADCAST COMPARISON

(Indexed by Audience Market Share & Hours of Viewing)



## U.S. Highlights

- Total audience of 187 million viewers watching 27 hours of Olympic coverage
- NBC out-performed all other networks combined with its prime-time slot. Rating average 149% above regular network programming
- Olympic “halo” boosted ratings for other programs (Today Show, Dateline, Nightly News, Tonite Show, and NBCSports)
- Huge Cable Audience (1.7 million per day)
  - CNBC tripled average audience
  - MSNBC quadrupled average audience



## Global Highlights

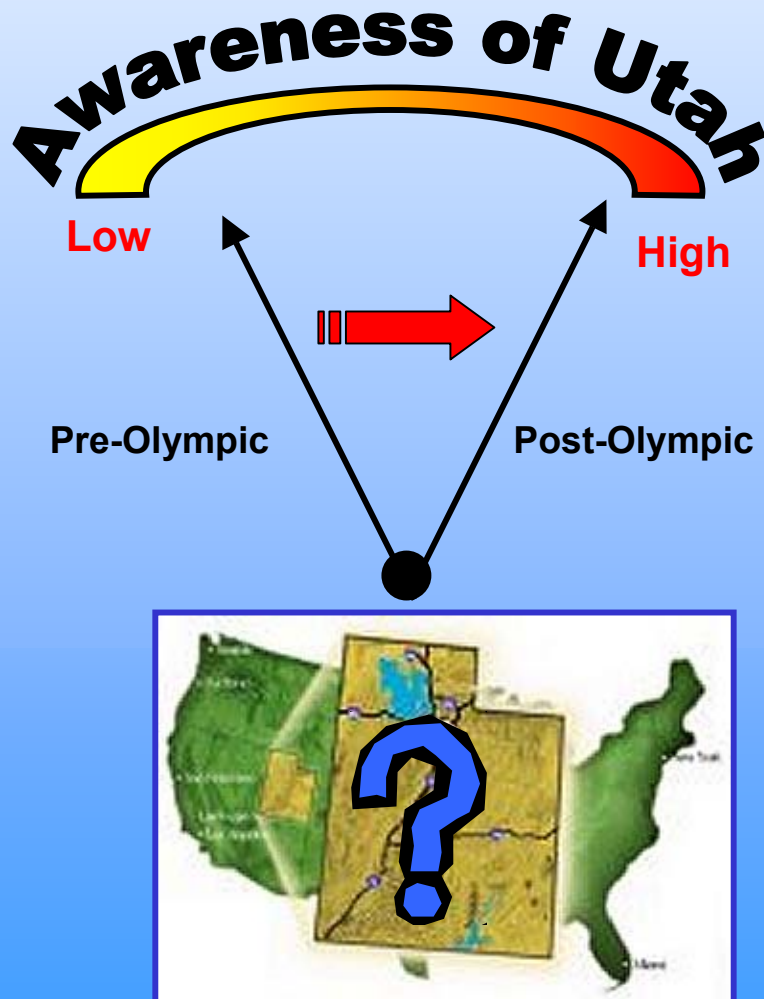
- Men's Gold Medal Hockey achieved highest ever TV audience in Canada
- Eurosport reported total audience of 132 million viewers (more than the 1998 world cup)
- Late night women's curling in the U.K. attracted the same audience as FA Cup Final (1<sup>st</sup> Division Soccer)
- German viewership tripled Nagano Games with regular audiences of more than 10 million a night
- More than 100 million viewers from Japan watched 17 hours each even with the unfavorable time zone



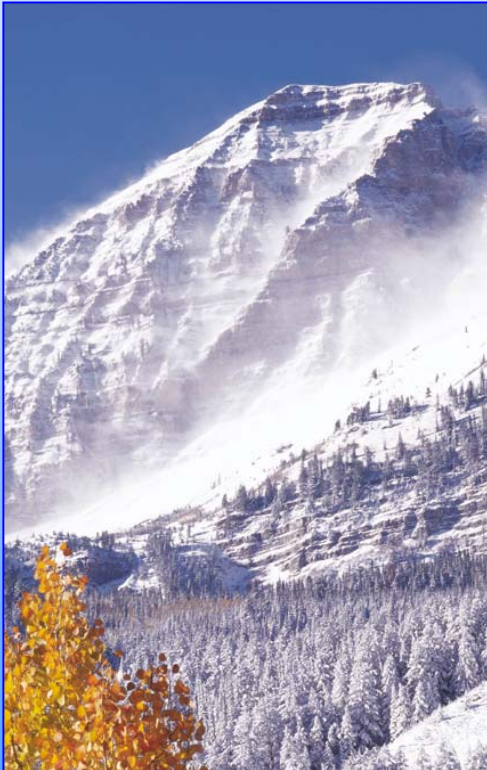
# Changes in Utah's Domestic Image

## Key Findings

- Utah's image improved slightly as a result of the 2002 Olympic Winter Games
- 7.1 million more adults say they are likely to vacation in Utah than before the Games
- Utah is more recognized today for its scenic beauty, mountains, winter sports, ski resorts, cleanliness, and friendly people after exposure through the Games
- A high quality workforce more recognized by executives around the country following the Games



## Top Reasons for Positive Image



|                            |     |
|----------------------------|-----|
| Scenic beauty              | 29% |
| Mountains                  | 13% |
| Good/friendly people       | 9%  |
| Host to Winter Olympics    | 8%  |
| Nice place to visit / live | 7%  |
| Good weather               | 6%  |
| Skiing                     | 6%  |

**All  
positive  
images  
benefited  
from  
Olympic  
exposure**

# Utah Travel Trends



## FACTORS IMPACTING TRAVEL

- Lingering post 9/11 jitters
- Lackluster economy
- Wildfires
- Weather (Drought / Snow)
- Possible military action vs. Iraq

## EFFECT ON TRAVEL BEHAVIOR

- Shorter trips
- Trips closer to home
- More auto travel
- Economizing
- Shortened planning horizon
- “Hot Deals”

### VOLUME INDICATORS

| INDICATOR – YTD 2002                | % CHANGE   |
|-------------------------------------|------------|
| Salt Lake Int’l. Airport Passengers | -6% (Aug)  |
| Utah National Parks                 | +4% (Sep)  |
| Utah National Mon. & Rec. Areas     | -12% (Sep) |
| Utah State Parks                    | -4% (Sep)  |
| Utah Welcome Centers                | +3% (Sep)  |
| Stateline Interstate Traffic        | +6% (Sep)  |
| Statewide Hotel Occupancy Rate      | +2% (Sep)  |
| Utah.com Website Visitors           | +66% (Sep) |

*Year-to-date statistics suggest Utah tourism continues to grow on the heels of the 2002 Olympic Winter Games. **Cautious optimism abounds for the rest of the year.***

# Utah Travel Trends













## UTAH TRAVEL SEGMENTS

- Domestic leisure travel holding steady
- Convention travel strong
- Transient business travel sluggish
- International travel struggling

### 2002 GROSS TAXABLE SALES

| TOURISM SECTOR         | Q1 2002<br>% Change | Q2 2002<br>% Change | YTD 2002<br>% Change |
|------------------------|---------------------|---------------------|----------------------|
| Transportation         | - 25%               | - 30%               | - 28%                |
| Eating & Drinking      | + 6%                | + 3%                | + 4%                 |
| Auto Rentals           | - 15%               | - 25%               | - 20%                |
| Hotels & Lodging       | + 31%               | + 6%                | + 20%                |
| Amusement & Recreation | + 1%                | + 3%                | + 2%                 |
| Total Tourism Sector   | + 5%                | - 2%                | + 2%                 |

## 1<sup>ST</sup> HALF 2002 U.S. ARRIVALS

|   |             |       |
|---|-------------|-------|
|    | Canada      | - 11% |
|    | Germany     | - 20% |
|    | France      | - 13% |
|    | U.K.        | - 8%  |
|    | Netherlands | - 5%  |
|    | Japan       | - 26% |
|  | Italy       | - 20% |
|  | Switzerland | - 18% |
|  | Australia   | - 5%  |
|  | Mexico      | - 4%  |

## **The Reality of Empowerment** **Creating Connections with What Matters Most**

### **1) Family Comes First**

A trend underway for much of the past several years, the move to reconnect with family and build stronger relationships was accelerated after Sept. 11<sup>th</sup>. Opportunities exist for destinations to provide the ideal setting and activity mix for the perfect family vacation.

### **2) True Leisure Restored**

To compensate for the last few years of unfulfilled leisure and escape, expect travelers to place a higher value on relaxation and rejuvenation. In pursuit of these goals, travelers will demand a higher level of service and amenities.

### **3) Service. Service. Service.**

Too much information abounds. Consumers need help to cut through the clutter of choices. Most consumers indicate a desire to be able to customize their experience and are willing to pay a premium for the service.

## **The Reality of Empowerment** **Creating Connections with What Matters Most**

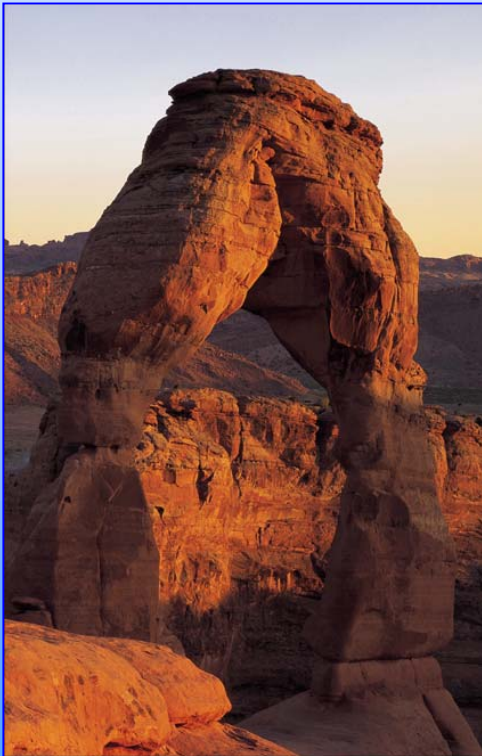
### **4) Truth in Advertising**

Consumers want real, genuine, and authentic. Unless destinations can dramatize their unique and differentiable qualities, consumers will buy based on price.

### **5) Balance**

The disconnect between the lifestyle consumers say they want and the reality they live has spurred a movement toward greater introspection and life changes. Expect a greater emphasis on physical and spiritual renewal including history, culture, and heritage.

***Look for travelers to increasingly seek out destinations that provide opportunities to re-connect with family, nature, heritage, and culture.***



## Contact Information...

Jon Kemp  
Research Coordinator  
Utah Travel Council  
(801) 538-1317  
[Jkemp@utah.gov](mailto:Jkemp@utah.gov)



## Online Research Center...

[www.utah.org/travel](http://www.utah.org/travel)